

MONTANA LEGISLATIVE HISTORY

Chapter 566 19 82

Bill H _____ S 266 Original bill & history C

H. Committee on Taxation

Hearing Date(s) Mar 20 ✓ C

Apr 06 ✓ C

_____ C

_____ C

Date Out Apr 06 ✓ C

S. Committee on Taxation

Hearing Date(s) Feb 05 ✓ C

Feb 10 ✓ C

_____ C

_____ C

Feb 10 ✓ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

SENATE FINAL STATUS

INSPECTION

2/02	INTRODUCED		
2/02	REFERRED TO STATE ADMINISTRATION		
2/06	HEARING		
2/10	COMMITTEE REPORT--BILL PASSED		
2/13	2ND READING PASSED	50	0
2/16	3RD READING PASSED	50	0

TRANSMITTED TO HOUSE			
2/18	REFERRED TO STATE ADMINISTRATION		
3/05	HEARING		
3/05	COMMITTEE REPORT--BILL CONCURRED		
3/07	2ND READING CONCURRED	87	0
3/09	3RD READING CONCURRED	96	1

RETURNED TO SENATE			
3/12	SIGNED BY PRESIDENT		
3/12	SIGNED BY SPEAKER		

3/12	TRANSMITTED TO GOVERNOR		
3/16	SIGNED BY GOVERNOR		
CHAPTER NUMBER 111 EFFECTIVE DATE: 10/01/87			

SB 265 INTRODUCED BY BISHOP, GRADY, CAMPBELL, ET AL.
ALLOW FISH AND GAME COMMISSION TO APPOINT DIRECTOR
OF DEPARTMENT

2/02	INTRODUCED		
2/02	REFERRED TO FISH & GAME		
2/12	HEARING		
2/20	ADVERSE COMMITTEE REPORT ADOPTED		
	AS AMENDED	45	2

SB 266 INTRODUCED BY VAN VALKENBURG, CRIPPEN, FRITZ, ET AL.
AUTHORIZE ON-PREMISE CONSUMPTION AT WINERY WITHOUT
CHARGE -- WINERY SALES

2/02	INTRODUCED		
2/02	REFERRED TO TAXATION		
2/05	HEARING		
2/11	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/14	2ND READING PASSED	49	0
2/17	3RD READING PASSED	50	0

TRANSMITTED TO HOUSE			
2/23	REFERRED TO TAXATION		
3/27	HEARING		
4/06	COMMITTEE REPORT--BILL CONCURRED		
4/09	2ND READING CONCURRED	92	3
4/10	3RD READING CONCURRED	93	2

RETURNED TO SENATE			
4/14	SIGNED BY PRESIDENT		
4/15	SIGNED BY SPEAKER		

4/15	TRANSMITTED TO GOVERNOR		
4/20	SIGNED BY GOVERNOR		
CHAPTER NUMBER 566 EFFECTIVE DATE: 4/20/87			

SB 267 INTRODUCED BY VAN VALKENBURG, MCCALLUM, HARP, ET AL.
PERMIT LEGISLATORS TO APPLY CONTRIBUTION FOR STATE
INSURANCE TO OTHER PLANS

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 5, 1987

The seventeenth meeting of the Senate Taxation Committee was called to order at 8:00 A.M. on February 5, 1987 by Chairman George McCallum in Room 413/415 of the Capitol Building.

ROLL CALL: All committee members were present.

CONSIDERATION OF SB 266: Senator Van Valkenburg, Senate District 30, presented this bill to the committee. He said this bill would provide a statutory basis for the establishment of wineries in the state of Montana. The bill was introduced at the request of the founder and owner of the Mission Mountain Winery. This is the first winery in the state of Montana that he is aware of. At the outset they were using grapes grown in Washington but are now growing their own grapes in Montana. This spring they are prepared to bottle their first pure Montana wine. This bill would authorize them to sell the wine for off-premises consumption, provide without charge, the product for consumption on the premises and allow them to obtain a special event permit for a one day wine festival or something of that nature. The Department of Revenue has allowed the Mission Mountain Winery to do what this bill provides while awaiting approval of this bill.

PROPOSERS: Tom Campbell, owner, Mission Mountain Winery, gave testimony in support of this bill. He said he has been working on developing this new wine industry since 1979. He literally killed thousands of vines before finding four or five varieties that will produce grapes in Montana. He produced grapes in 1985 and vintaged those grapes in a champagne that will be released on Memorial Day. While his vineyard is growing, he is being supplied with grapes from the state of Washington. This has allowed him to enter the Montana market, as well as to export his wine to other areas of the county. This spring they will start marketing in Alberta. They are currently producing 7,000 cases of wine. This bill parallels the standards of the industry in allowing testing on premise, retail sales on premise and to purchase our alcoholic spirits for wine making from the proper state source.

Sidney Abrams, Wine Institute for Grape Growing in Washington, gave testimony in support of this bill. This bill reads, "may sell wine it produces at retail at the winery directly to the consumer for consumption off the premises". He said picnics are a very important item to wineries and can be a big tourist attraction. He would suggest consideration be given to changing that wording to allow "on or off the premises". He does not feel this would be a threat to restaurants.

OPPONENTS: Roger Tippy, Montana Beer and Wine Wholesalers, gave testimony in opposition to this bill. He has some problems with the wording in this bill. On page 1, line 13, the word "import" causes him some concern. He sees no need for the allowance of imported wine when they are producing their own wine. What would prevent them from importing California wine, wine that is produced somewhere else, and selling that at their winery. He thinks the bill should have a statement of intent allowing the Department of Revenue to make regulations assuring that sales to consumers are for a bona fide use and not for retail purposes to avoid payment of taxes and other concerns the Department of Revenue might have.

QUESTIONS FROM THE COMMITTEE: Senator Brown asked if there have been any experiments on making wine from cherries.

Tom Campbell said he has done some experiments with the cherries in the Flathead Valley and that variety is not well suited for wine making.

Senator Crippen asked Mr. Campbell if the wine they import is finished wine.

Mr. Campbell said right now he is making the wine in Washington state, supervising the growing of the grapes, and transporting it here to Montana to bottle. He said it is very important that we at least bottle the wine in Montana.

Senator Crippen asked Mr. Tippy if he was satisfied with that explanation concerning the importation of the wine.

Mr. Tippy said it could be expressed more clearly that it is being transported in bulk. He would want to check with people in other states to see that this has been worked out without any potential problems. He said it is a lot easier to set up regulations at the threshold of an enterprise than to try to change.

Senator Lybeck asked how many people he would employ.

Mr. Campbell said we have the potential in our winery alone to handle 20,000 cases in the future. That would require approximately 100 acres of grapes to supply us. We would employ 50-60 people seasonally and in the winery somewhere around 30-40 people.

Senator Mazurek said to Mr. Tippy that he had expressed concern that some winery will come in from out of state and set up operation and take advantage of this. He said the economic impact of that might be desirable.

Mr. Tippy said it might be desirable if that large winery were then going to utilize the wholesalers network to get the wine into the stores. If a large winery is located next to a large supermarket, that would eliminate the wine distributor.

Senator Eck asked Mr. Campbell if he was importing grapes from another place.

Mr. Campbell said eastern Washington has the highest quality of grapes in the world. We have to use those grapes to establish our services in the market place. Our long range plan is to devote ourselves to developing the Montana grape industry in the lake area.

Senator Crippen asked Mr. Abrams to respond to Mr. Tippy's concern in relation to elimination of the middle man.

Sidney Abrams said he does not understand fully the fears expressed. There are enough problems with producing the wine in this state that they would still pay to get the wine to market.

Tom Campbell said to address some of the concerns expressed, the bill could be amended after import to insert "in bulk" and that would handle all the problems expressed. He said wholesalers would be the only outlet for selling statewide in his view. That is the best way in our state with so many great distances between population centers. The distributor system, as it stands now, does a far better job than he could possibly do.

Senator Eck asked Mr. Abrams if the labeling regulations are all federal or if there are some state regulations.

Mr. Abrams said most states go by the federal regulations for labeling. Some states, for whatever reasons, add more problems by having requirements.

Senator McCallum said there would not be a tax charge on the wine in the sampling room, but what if someone bought a bottle of wine and took it outside to a picnic table to drink it. He wonders if the Department of Revenue would collect a tax off of that bottle of wine. He asked Mr. Tippy to respond.

Mr. Tippy said there is no provision for collecting the tax at the time of removing the bottle of wine from the winery. With the present wine law, there is no such provision on domestically produced wine at the winery.

Senator Van Valkenburg closed by stating what we have is a new business in Montana that really is something of promise. He thinks it is important for the Montana legislature to try to make things work for this new business.

Hearing closed on SB 22.

CONSIDERATION OF HB 151: Representative Pistoria, House District 36, presented this bill to the committee. He said this bill deals with the time payment of your property taxes. Section 15-16-102 says that you have to pay your first half by 5 o'clock on November 30th and the second by 5 o'clock on May 31st. What happens when the deadline falls on a Sunday, will they charge interest for the following Monday. This bill provides that taxes that fall due on a holiday or Saturday may be paid without interest the next business day.

PROPONENTS: None.

OPPONENTS: None.

QUESTIONS FROM THE COMMITTEE: Senator Crippen asked Representative Pistoria if the penalty would be included along with the interest.

Representative Pistoria said the 2% stays like it is now. They would be allowed until the next business day, to pay their taxes without interest or penalty if November 30th or May 31st falls on a holiday or Saturday.

Senator Crippen said that is your intent but he does not know if the bill says that. If that is what you want we can handle that.

Representative Pistoria closed.

TAXATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-5-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR CRIPPEN	✓		
SENATOR NEUMAN	✓		
SENATOR SEVERSON	✓		
SENATOR LYBECK	✓		
SENATOR HAGER	✓		
SENATOR MAZUREK	✓		
SENATOR ECK	✓		
SENATOR BROWN	✓		
SENATOR HIRSCH	✓		
SENATOR BISHOP	✓		
SENATOR HALLIGAN, VICE CHAIRMAN	✓		
SENATOR MCCALLUM, CHAIRMAN	✓		

Each day attach to minutes.

DATE: 1-1-1918
Senate Taxation

SB 266, HB 87, HB 151

(Please leave prepared statement with Secretary)

NAME: Tom Campbell DATE: 2 5 87

ADDRESS: 510 Woodward Missoula MT 59801

PHONE: 5497179

REPRESENTING WHOM? Mission Mountain Winery

APPEARING ON WHICH PROPOSAL: Senate Bill 266

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: Being the first winery in Montana we need
this bill to ESTABLISH REGULATIONS FOR OUR INFANT INDUSTRY

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DISPOSITION OF SB 266: Senator Mazurek said he is confused on the tax question. If there is a retail sale on premise, we would pick up the retail tax.

Senator McCallum said there is no method. There are no rules or regulations on wine produced in Montana.

Senator Severson said he does not think we should hassle this man as far as starting a new business.

Senator Mazurek said Kessler has run into a problem with being taxed here and out of state. We should be very careful about putting anything taxwise on them. Whatever we do will tax him twice instead of once.

Senator Lybeck said the testimony from Roger Tippy was for an amendment on page 1, line 18, to limit that to two cases a month, plus he wanted a statement of intent.

Senator Eck said she couldn't get excited about that. People who come to the winery will want to buy more than two cases. She would move to amend the bill on page 1, line 13, after import to insert "in bulk". This would make it clear they can't import bottles.

Senator Brown asked if they would be bringing in large quantities of grapes.

Senator Eck said they are importing the wine in big tanks.

Senator Eck's motion carried.

Senator Crippen would move to amend the bill on page 1, line 18, following "consumption" to insert "on or". This would allow for picnics on the grounds of the winery.

Senator Neuman asked if there is something in the statute that provides for someone to buy a bottle of wine and go out and drink it outside.

Senator Mazurek said you own the premises and you have to have a license to sell wine for consumption without this bill. Without this bill you would need a license with a wine endorsement.

Senator Crippen does not find it to be much of a worry that a wine bar will be set up and people will come for miles around and this will take business away from the bars in the area. If there turns out to be a problem we can come back in two years and provide for a tax.

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Senator Lybeck said you are talking about selling wine that they produce at retail at the winery. He asked if they would need a license.

Senator Mazurek said this bill would eliminate the need for a license.

Senator Lybeck asked if that would be in conflict with the statutes.

Senator Mazurek said we are just saying that a winery doesn't have to go through the provision of obtaining a license to sell his own product.

Senator Crippen's motion carried.

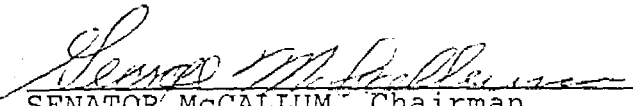
Senator Lybeck asked about a statement of intent.

Jim Lear said it is not required.

Senator Bishop would move that SB 266 DO PASS AS AMENDED. The motion carried.

DISPOSITION OF SB 192: Senator Eck made a motion that SB 192 DO NOT PASS. The motion carried with Senators Crippen, Severson and McCallum opposed. Senator Halligan was absent.

ADJOURNMENT: The meeting adjourned at 9:15 A.M.


SENATOR McCALLUM, Chairman

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STANDING COMMITTEE REPORT

February 10, 19 87

MR. PRESIDENT

We, your committee on SENATE TAXATION
having had under consideration SENATE BILL No. 266
first reading copy (white)
color

AUTHORIZE ON-PREMISE CONSUMPTION AT WINERY WITHOUT CHARGE

Respectfully report as follows: That SENATE BILL No. 266
be amended as follows:

1. Title, line 7.
Strike: "OFF-PREMISES"
Following: "CONSUMPTION"
Insert: "ON OR OFF THE PREMISES"

2. Page 1, line 13.
Following: "import"
Insert: "in bulk"

3. Page 1, line 13.
Following: "consumption"
Insert: "on or"

AND AS AMENDED

DO PASS

DO NOT PASS:

SENATOR GEORGE McCALLUM, Chairman.

MINUTES OF THE MEETING
TAXATION COMMITTEE
HOUSE OF REPRESENTATIVES
50TH LEGISLATIVE SESSION

March 27, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on March 27, 1987, at 8 a.m. in Room 312B of the State Capitol.

ROLL CALL: All members of the Committee were present. Also present was Dave Bohyer, Researcher, Legislative Council.

CONSIDERATION OF SENATE BILL NO. 266: Sen. Fred Van Valkenburg, Senate District #30, sponsor of the bill, said the bill would regulate domestic wineries. He explained the Mission Mountain Winery began operation in Dayton, on the west shore of the Flathead several years ago, and that the bill would authorize a tasting room at the winery. Sen. Van Valkenburg stated present statutes neither prohibit nor deny such activity, but DOR has had similar questions to those they had with the Kessler Brewery.

Sen. Van Valkenburg said the Senate Taxation Committee decided to allow the sale of wine both on and off winery premises, but limited sales to two cases per individual per visit.

PROPOSERS OF SENATE BILL NO. 266: Tom Campbell, principle investor, and vice president of the company, said the first grades came off Finley Point, and the winery would release its first champagne from these grapes on Memorial Day weekend this year. He stated current production is about 7,000 cases of wine, mostly from Washington state grapes.

Mr. Campbell told the Committee he sees the winery and the grapes as more vital, eventually, than cherries, and that production could reach 30,000 to 40,000 cases annually, to keep more revenue in the state. He said the legislation is needed to regulate the sale of wine at the winery, which has a network of seven major distributors in the state.

Rep. Bob Pavlovich, stated his support of the bill, with the stipulation that a limit is placed upon the number of cases a consumer may purchase at the winery.

OPPOSERS OF SENATE BILL NO. 266: There were no opposers of the bill.

QUESTIONS ON SENATE BILL NO. 266: Rep. Williams asked what is meant by "import" and "bulk". Mr. Campbell replied that

he personally supervised the production of wine for Johannesburg-Riesling, in another state, and that he hopes, eventually, to produce it in Montana.

CLOSING ON SENATE BILL NO. 266: Sen. Van Valkenburg simply stated that a new business in Montana needs the help of the Legislature and asked the Committee to give the bill favorable recommendation.

CONSIDERATION OF SENATE BILL NO. 297: Sen. Ethel Harding, Senate District #25, sponsor of SB 297, said the bill would increase the size of county tax appeals boards from 3 to 5 members.

PROPOSERS OF SENATE BILL NO. 297: There were no proponents of the bill.

OPPOSERS OF SENATE BILL NO. 297: Bob Raundal, former Chairman of the State Tax Appeals Board, (STAB), said the bill needs to be referred to Appropriations for general fund expenditure, and that restrictive language in 17-19, would make it difficult to get other than retirees to serve on the proposed boards.

QUESTIONS ON SENATE BILL NO. 297: There were no questions on the bill.

CLOSING ON SENATE BILL NO. 297: Sen. Harding told the Committee SB 297 is a people bill, and asked them to give the bill favorable consideration.

CONSIDERATION OF SENATE BILL NO. 337: Sen. Dick Manning, House District #18, sponsor of SB 337, said the bill addresses surviving spouses of disabled veterans and clarifies qualifying spouses to override an Attorney General opinion. He explained that the Attorney General has ruled the spouse must reside in the house of the veteran in order to qualify, as well as disqualifying all spouses of veterans killed in action. Sen. Manning commented that low income spouses should not be disqualified from property tax relief.

PROPOSERS OF SENATE BILL NO. 337: Rich Brown, Administrator, Veterans Affairs Division, told the Committee that 15-6-211, MCA, does provide the intent of the Legislature, and that SB 337 is simply an attempt to override a strict Attorney General opinion.

Hal Mansen, representing Widows of Veterans and the American Legion, stated his support of the bill.

George Posten, United Veterans Committee, stated his support of the bill.

DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date

March 27, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ		✓	
REP. ASAY		✓	
REP. ELLISON		✓	
REP. GILBERT		✓	
REP. HANSON		✓	
REP. HARP		✓	
REP. HARRINGTON		✓	
REP. HOFFMAN		✓	
REP. KEENAN		✓	
REP. KOEHNKE		✓	
REP. PATTERSON		✓	
REP. RANEY		✓	
REP. REAM		✓	
REP. SANDS		✓	
REP. SCHYE		✓	
REP. WILLIAMS		✓	

MISSION MOUNTAIN WINERY



PALE RUBY CHAMPAGNE

MONTANA STATE
Hunter Vineyard

1985

ALCOHOL 12% BY VOLUME

Produced And Bottled By Mission Mountain Winery
Dayton, Montana

Méthode Champenoise I toast your good taste!

Tom Campbell — Winemaker

MISSION MOUNTAIN
APRIL 26, 1985
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ABOUT THE WINEMAKER: TOM CAMPBELL
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#1
3-27-87
SB 266

THE MISSION MOUNTAIN VINEYARDS AND WINERY ARE OWNED AND HAVE BEEN DEVELOPED BY VINICULTURIST AND WINEMAKER, TOM CAMPBELL, JR. AND HIS FATHER, T.J. CAMPBELL, A MISSOULA PHYSICIAN. THE DEVELOPMENT OF THE DAYTON VINEYARDS ON FLATHEAD LAKE BEGAN IN 1978, THE YEAR BEFORE TOM COMPLETED HIS STUDIES AT U.C. DAVIS.

TOM WAS RAISED IN MISSOULA, MONTANA AND GRADUATED FROM HELLGATE HIGH SCHOOL IN 1971. HE EARNED A DEGREE IN ZOOLOGY FROM THE UNIVERSITY OF MONTANA IN 1975 AND REMAINED AT THE U OF M FOR AN ADDITIONAL YEAR TO STUDY BOTANY. STUDYING THE SCIENCE OF PLANTS IN MONTANA HELPED TOM LATER AT HIS DAYTON VINEYARDS AND ALSO WITH HIS CONTINUED STUDIES OF VINICULTURE AND ENOLOGY (WINEMAKING) AT THE UNIVERSITY OF CALIFORNIA AT DAVIS.

TOM COMPLETED HIS WORK AT U.C.DAVIS IN 1979 AND HELPED SHILO VINEYARDS, NOW DOMAINE LAUIER, WITH THE 1979 CRUSH. HE JOINED JECKLE VINEYARDS IN 1980 AS THE ASSISTANT WINEMAKER. FOR THREE YEARS TOM ASSISTED, ON A PART TIME BASIS, WITH THE PLANTING AND TRAINING OF VINES AT THE FAMOUS MCGREGOR CHARDONNAY VINEYARDS AT SAN LOUIS OBISPO, CALIFORNIA.

TOM JOINED CHATEAU STE. MICHELLE, IN WASHINGTON STATE, AS A CELLARMAN INVOLVED IN MAKING ALL RED WINES FROM THE 1981 CRUSH. IN 1982, TOM INSTALLED THE WINERY EQUIPMENT AT QUAIL RUN VINEYARDS AND WAS THE

CO-WINEMAKER FOR THE 1982 CRUSH. IN 1983 TOM WAS VERY BUSY AS THE WINEMAKER FOR TUCKER CELLARS AND STEWART VINEYARDS. WHERE AGAIN HE INSTALLED THE FIRST WINERY EQUIPMENT FOR STEWART. TOM ALSO SERVES AS THE CONSULTING WINEMAKER FOR THE WASHINGTON STATE BLACKWOOD CANYON ~~AND EAGLE POINT~~ WINERIES. TOM'S STEWART VINEYARD AND TUCKER CELLARS WINES HAVE WON SEVERAL AWARDS IN COMPETITION AT THE CENTRAL WASHINGTON STATE FAIR, THE INTERNATIONAL COMPETITION AT ATLANTA, GEORGIA AND THE TACOMA WINE FESTIVAL. IN 1985 Tom and his wife HEMA opened HORIZON'S EDGE winery in Zillah WA. MAKING CHARDONNAY THAT WON MANY GOLD MEDALS AND Johannisberg Riesling that won ^{an} international Bronze medal.

ABOUT THE MONTANA VINEYARDS:

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SPRING - 1978

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TOM AND HIS FATHER PURCHASED THE "LARRAVEE, FIRST ADDITION" TO THE TOWNSITE OF DAYTON - ON FLATHEAD LAKE, MONTANA. BEFORE 1920, DAYTON HAD A POPULATION OF 5,000 PERSONS. MAIN ATTRACTIONS TO DAYTON IN THOSE DAYS WERE MILD WINTERS AND A PROLONGED GROWING SEASON PROVIDED BY THE PROXIMITY TO THE WARMTH OF FLATHEAD LAKE AND A BOOMING LUMBER INDUSTRY. ADDITIONALLY, TOM NEEDED SOIL CONDITIONS FAVORING THE GROWTH OF DIFFERENT GRAPE VARIETIES, AN ADEQUATE SOURCE OF MINERAL FREE WATER AND JUST THE RIGHT SLOPE TO THE LAND TO PROVIDE BOTH WATER AND AIR DRAINAGE. THE SIXTY ACRES JUST WEST OF THE HIGHWAY AS YOU CROSS THE BRIDGE AT DAYTON, MET ALL OF TOM'S REQUIREMENTS.

SUMMER, 1978

TOM PREPARED THE LAND AND INSTALLED OVER 20 MILES OF UNDERGROUND PIPE FOR THE OVERHEAD SPRINKLER AND FROST PROTECTION SYSTEM.

SPRING, 1979

TOM PURCHASED THE FIRST GRAPE ROOTINGS, OVER 9,000 PLANTS IN TOTAL. HOWEVER DUE TO THE HARSH WINTER OF 1978-79 ONLY THE MORE FRAGILE GREENHOUSE ROOTINGS WERE AVAILABLE. ALL 9,000 ROOTINGS WERE PLANTED AND THEY CONSISTED OF:

WHITE RIESLING

GEWURTZTRAMINER

CHARDONNAY

PINOT NOIR

FALL 1979 AND WINTER 1979-80

TOM LOST 90% OF ALL PLANTINGS EXCEPT THE PINOT NOIR WHICH LOST 50%. THE GREENHOUSE ROOTINGS PROVED TO BE JUST TOO FRAGILE TO SURVIVE THE EARLY FROST (LABOR DAY) OFTEN OCCURRING AROUND FLATHEAD LAKE. THE WOOD OF THE VINE NEEDED MORE TIME TO HARDEN BEFORE THESE EARLY FROSTS.

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SPRING 1980:

TOM REPLACED THE GEWURTZTRAMINER, CHARDONNAY AND RIESLING WITH ADDITIONAL PINOT NOIR AND A NEW VARIETY, PINOT BLANC. THIS TIME HE USED VINE CUTTINGS INSTEAD OF THE PREVIOUS ROOT MATERIAL IN AN ATTEMPT TO HARDEN THE WOOD EARLIER IN THE GROWING SEASON.

HE ALSO EXPERIMENTED WITH:

CHENIN BLANC
MERLOT
MUSCAT VARIETIES

FALL 1980 AND WINTER 1980-81

THE 1980 GROWING SEASON WAS CUT SHORT AGAIN BY A SEVERE SEPTEMBER FROST. AGAIN, THE TENDER WOOD OF THE NEW PLANTS DID NOT SURVIVE. AS WITH PREVIOUS YEARS, THE PINOT NOIR DID WELL AS DID 35% OF THE NEW CHARDONNAY.

SPRING, 1981:

TOM PLANTED ONE YEAR OLD ROOTINGS OF:

PINOT NOIR
CHARDONNAY
WHITE RIESLING

HE ALSO EXPERIMENTED WITH AMERICAN ROOT STOCK AND THE HYBRID VARIETIES OF SEIBEL AND SEVAL. BOTH OF THESE HYBRID VARIETIES PRODUCE WINES WHICH HAVE FULL FRUIT FLAVORS AND ARE SLIGHTLY SWEET.

FALL 1981, WINTER 1981-82

EARLY FALL FROST WAS STILL A PROBLEM THE WITH YOUNG TENDER PLANTS. ALSO, AN ALKALI CONDITION DEVELOPED IN THE CHARDONNAY FIELD. BUT, THE YEAR OLD ROOT STOCK OF PINOT NOIR AND WHITE RIESLING TOOK - - DESPITE THE EARLY FROST ! ! TOM CONCLUDED IN 1981 THAT THE RIESLING, GEWURTZTRAMINER AND CABERNET SAUVIGNON VARIETIES WOULD NOT RIPEN IN OUR SHORT GROWING SEASON.

SPRING 1982:
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REPLANTED WITH ONE YEAR OLD ROOT STOCK:

PINOT NOIR
CHARDONNAY
AMERICAN VARIETIES
HYBRIDS

FALL 1982 AND WINTER 1982-83:

THIS WAS A RATHER HARSH WINTER WHICH SEVERELY DAMAGED THE CHARDONNAY PLANTINGS. THE CHARDONNAY WAS PROBABLY WEAKENED BY THE ALKALI DEVELOPMENT IN THAT PARTICULAR FIELD. THE PINOT NOIR SURVIVED VERY WELL AS DID THE AMERICAN VARIETIES. TOM OVERCAME THE EARLY FALL FROST PROBLEM WITH THE USE OF A REGULATED HORMONE SPRAY WHICH HARDENED THE WOOD IN PREPARATION FOR AN EARLY FALL FROST.

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SPRING 1983:

RE-PLANTED CHARDONNAY AND A SMALL AMOUNT OF PINOT NOIR.

FALL 1983 AND WINTER 1983-84:

THE FROST PROTECTION/SPRINKLER SYSTEM WAS USED FOR THE FIRST TIME AND PROVED TO BE EFFECTIVE IN COMBATING THE EARLY FALL FROST. THE CHARDONNAY GRAPE PLANTING TOOK VERY WELL UP TO THE EDGE OF THE ALKALI CONDITION. THE PINOT NOIR AGAIN SURVIVED WELL AS DID AN EXPERIMENT WITH CONCORD SEEDLESS.

SPRING 1984:

TOM TREATED THE SMALL ALKALI CONDITION IN THE CHARDONNAY FIELD BY USING IRRIGATING WATER TO LEACH THE ALKALI AND BY APPLYING SULFURIC ACID.

PLANTED: PINK CATABA TO REPLACE RIESLING.

CAMPBELL EARLIES: AN EARLY RIPENING RELATIVE TO THE AMERICAN CONCORD GRAPE. PRODUCING A WINE WITH MILD FLAVORS, ~~AND FREE OF THE "FOXY FLAVORS"~~

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FALL 1984:

THE SPRINKLER SYSTEM AGAIN WORKED WELL IN PREVENTING FROST DAMAGE.

TOM PURCHASED A BLOCK OF JOHANNISBERG RIESLING GRAPES IN WASHINGTON FOR THE FIRST MISSION MOUNTAIN WINE. TOM SELECTED WHITE RIESLING GRAPES GROWN AT THE CHATEAU CHALET VINEYARDS LOCATED IN THE HORSE HEAVEN FOOTHILLS NEAR THE "BIG BEND" OF THE COLUMBIA RIVER. ONLY GRAPES FROM THE CENTER BLOCK OF OLDEST VINES WERE SELECTED. TOM THEN VINTED THE WINE AT THE CONVENTRY VAIL WINERY IN GRANDVIEW, WASHINGTON AND COMMISSIONED THE WELL KNOWN MONTANA ARTIST, MONTE DOLACK, TO DESIGN THE MISSION MOUNTAIN LABEL. THESE WINES WILL BE RELEASED IN THE STATE OF MONTANA ON MAY 27, 1985. THIS FIRST WINE, USING WASHINGTON GROWN GRAPES, IS STYLED TO GAIN BROAD CONSUMER APPEAL, WITH BIG BODY, RIPE FRUIT FLAVORS AND ADEQUATE ACID TO PROVIDE A CLEAN FINISH. THERE ARE HINTS OF RIPE APRICOTS BOTH IN NOSE AND ON THE PALATE. 11% ALCOHOL; 2.6% RESIDUAL SUGAR. POPULARLY PRICED.

SPRING 1985:

TOM MADE APPLICATION TO THE BUREAU OF ALCOHOL, TOBACCO AND FIRE ARMS TO BOND A WINERY AT DAYTON, MONTANA. AT THE SAME TIME APPLICATION WAS MADE TO THE MONTANA DEPARTMENT OF REVENUE. THE MONTANA DEPARTMENT OF REVENUE REPORTS THAT MISSION MOUNTAIN WINERY WILL BE THE FIRST EVER BONDED WINERY IN THE STATE OF MONTANA. BOTH APPLICATIONS AND LICENSES ARE EXPECTED TO BE ISSUED BY MAY 22, 1985. WHICH ALLOWS THE FIRST WINES TO BE RELEASED APPROXIMATELY MAY 27, 1985.

MISSION MOUNTAIN

FALL 1985

THE FIRST MONTANA GRAPES WERE HARVESTED AT THE HUNTER VINEYARDS ON FINLEY POINT. THESE FREDONIA AND CAPTIVATOR GRAPES, BOTH AMERICAN VARIETIES, WERE CRUSHED AND PRESSED AT MISSION MOUNTAIN WINERY TO BE VINTED AS MONTANA'S FIRST COMMERCIAL WINE, PALE RUBY CHAMPAGNE! MADE IN THE TRADITIONAL METHODE CHAMPANOISE TO BE RELEASED AT THE WINERY ON ~~NEW~~ MEMORIAL DAY 1987.

AT THE SAME TIME JOHANNISBERG RIESLING GRAPES FROM WASHINGTON STATE'S CHALET VINEYARD WERE VINTED INTO THE EVER POPULAR WINE WITH A NEW LABEL BY MONTANA ARTIST MONTE DOLACK. THIS RIESLING HAS HINTS OF PEACHES AND APRICOTS IN BOTH THE NOSE AND PALATE, 12.75% ALCOHOL AND 1.9% RESIDUAL SUGAR. TWO CHARDONNAYS AND A LATE HARVEST STYLE RIESLING WERE ALSO PRODUCED FROM WASHINGTON GRAPES. ALL WINES ARE TO BE RELEASED AT THE GRAND OPENING OF THE NEW WINERY BUILDING MEMORIAL DAY WEEKEND 1986.

VINES AT THE DAYTON MONTANA VINEYARD WERE LAYED DOWN AND BURIED TO INSULATE THEM FROM THE EARLY FALL FROSTS.

WINTER 1986

THE NEW MISSION MOUNTAIN WINERY BUILDING WAS ERRECTED OVERLOOKING DAYTON HARBOR ON FLATHEAD LAKE. IN FEBRUARY THE JOHANNISBERG RIESLING WINE WAS BOTTLED WITH THE HELP OF TEN RESIDENTS OF DAYTON PRODUCING 5000 CASES.

SPRING 1986

THE PLANTS WERE UNCOVERED AND THEIR FRUITFUL BUDS GREW TO ANNOUNCE MONTANA CAN GROW PINOT NOIR. ON MEMORIAL DAY THE NEW TASTING ROOM WAS OPENED AND MISSION MOUNTAIN WINES WERE RELEASED STATE WIDE.

FALL 1986

MISSION MOUNTAIN WINERY OPENED NEW MARKETS IN WASHINGTON, IDAHO, AND CALIFORNIA. CURRENTLY THE WINERY IS NEGOTIATING WITH SIX OTHER STATES, CHINA, JAPAN AND AS OF NOVEMBER HAS SIGNED AN AGREEMENT WITH MCLEANS BEVERAGE AGENCIES LTD TO REPRESENT MISSION MOUNTAIN WINES IN WESTERN CANADA.

MONTANA'S FIRST PINOT NOIR WAS HARVESTED ON SEPTEMBER 18, 1986 FROM THE MISSION MOUNTAIN VINEYARD IN DAYTON AND WAS CRUSHED AND FERMENTED AT THE MISSION MOUNTAIN WINERY TO PRODUCE CHAMPAGNE, METHODE CHAMPANOISE, AND A LIMITED AMOUNT OF RED WINE BOTH TO BE RELEASED MEMORIAL DAY 1988 AT THE WINERY.

AGAIN TO SUPPLY MISSION MOUNTAIN WINE LOVERS INCREASING DEMAND, CHALET VINEYARD JOHANNISBERG RIESLING WAS HARVESTED IN WASHINGTON TO BE VINTED BY OUR WINEMAKER TOM CAMPBELL. CHARDONNAY WAS SELECTED FROM THE COLUMBIA GORGE AREA TO BE FERMENTED IN SMALL LIMOSINE FRENCH OAK BARRELS.

FALL1986 CONTINUED

ALSO PRODUCTION OF SUNDOWN,OUR ANSWER TO WHITE ZIN,WAS STARTED USING WASHINGTON STATE GRAPES AND SPECIAL OLD WORLD TECHNIQUES TO CAPTURE ALL THE FLAVOR AND AROMA. BOTTLING AND RELEASE OF SUNDOWN AND THE 1986 JOHANNISBERG RIESLING WILL OCCURE IN MARCH OF 1986. THE CHARDONNAY WILL BE BOTTLED AND RELEASED IN THE SUMMER.

AS THE VINEYARDS OF MONTANA INCREASE PRODUCTION MISSION MOUNTAIN WINERY WILL INCREASE CHAMPAGNE PRODUCTION,ALREADY GROWING AT A RATE OF 300% PER YEAR.

THE HIGH QUALITY GRAPES OF EASTRN WASHINGTON WILL CONTINUE TO PLAY A PART IN THE PRODUCTION OF INTERNATIONALLY POPULAR WINES OF MISSION MOUNTAIN WINERY, JOHANNISBERG RIESLING AND CHARDONNAY. WE AT MISSION MOUNTAIN WINERY ARE DEDICATED TO TWO IMPORTANT PRINCIPLES:

DEVELOPING MONTANA STATE VINEYARDS FOR THE PRODUCTION OF PREMIUM CHAMPAGNE AND TABLE WINES.

AND...

PRODUCING THE HIGHEST QUALITY WORLD CLASS WINES.

TOM CAMPBELL - WINEMAKER

I TOAST YOUR GOOD TASTE!

House Taxation COMMITTEE

DATE March 27, 1987

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Rep. Patterson reminded the Committee that, if SB 177 passes, it would eliminate administrative costs, to be consistent with the agriculture and veterans check-offs.

Chairman Ramirez advised that the coordination clause in section 5, would address Rep. Patterson's concerns. He commented that DOR wanted just the opposite, and said he was opposed to DOR's request.

The motion made by Rep. Keenan CARRIED unanimously.

DISPOSITION OF SENATE BILL NO. 266: Chairman Ramirez made a motion that SB 266 BE CONCURRED IN, and a motion to amend SB 266 to limit on-site sales of wines to two cases per person per day. The motion to amend FAILED, with all members voting no, except Reps. Harp and Ramirez, who voted aye.

Chairman Ramirez made a motion that SB 266 BE CONCURRED IN. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL NO. 272: Rep. Harrington made a motion that SB 272 BE CONCURRED IN.

Rep. Keenan advised that page 2, line 20, states gross annual operating revenue of less than \$1 million.

Rep. Patterson asked if line 22 on page 2, would not be competitive, and if it pertained to tourism only.

Chairman Ramirez commented the Committee should address "nonprofit" in the bill.

Rep. Patterson suggested inserting "used for nonprofit" on page 2, line 23. Chairman Ramirez replied he thought the Committee needed to do more than that. Rep. Asay advised it would benefit the state.

Rep. Raney stated the Crazy Mountain Railroad in Livingston hopes to acquire the branch line from Mission to Wilsall, and if the Railroad can convince BN it has a workable solution, Burlington Northern will turn the branch line over to the state, whereby it will be turned over to Crazy Mountain Railroad. He said the Railroad must be nonprofit, and that if it has to pay taxes, the Railroad won't be able to operate at a profit and the line will revert back to BN, who will tear it up.

Rep. Hoffman advised that, right now, anyone can ride the tour train to the hill, from the mining museum, and that later on, the train tour may extend to the smelter in Anaconda. He asked if the tour train would still be under

STANDING COMMITTEE REPORT

APRIL 6

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL 266

☐ do pass
☐ do not pass

☒ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

Representative Jack Ramirez, Chairman

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